

ER 5-4906

OGC HAS REVIEWED.

23 April 1954

MEMORANDUM FOR: Chief of Administration, Deputy Director (Plans)

SUBJECT : Loss of Gold - [REDACTED] 25X1A

1. I have a recommendation from the Comptroller supported by an opinion of the Office of the General Counsel that [REDACTED] be held pecuniarily liable in the amount of \$408.25 for the loss of gold charged to his account. The Chief, FE Division, had previously recommended that [REDACTED] not be held responsible for the loss.

2. The controlling factors are set forth in the report of investigation to the Chief of Mission on 23 July 1953. In paragraph 4.b. the investigating board made a specific finding of "Careless handling of operational funds (specifically [REDACTED] gold)." In its conclusions the board stated in paragraph 5.c. "A better system must be enforced to regulate the issue and control [REDACTED]" In 5.e. the board found "Careless handling of gold is in evidence and no receipts were required." These findings and conclusions clearly support the Comptroller's recommendation to hold [REDACTED] responsible. However, if it is feasible, I would appreciate clarification of a further finding set forth in paragraph 5.e., which reads as follows, "The careless handling is inexcusable but due to the operational situation and past experiences it is believed [REDACTED] was justified in not obtaining signed receipts in this case." On its face this finding is a paradox, as an act cannot at the same time be inexcusable and yet the method of handling justified.

3. I am reluctant, however, to approve to assess liability on [REDACTED] if there is any doubt as to his culpability under the circumstances. In my opinion there is nothing in this record to indicate that the operational situation would excuse the failure to take reasonable precautions, but I would appreciate such explanation or comment as you may deem appropriate.

/S/
LAWRENCE R. HOUSTON
Acting Deputy Director
(Administration)

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cc: OGC

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